

#### **IC 20-20-37.4**

#### **Chapter 37.4. Geothermal Conversion Revolving Fund**

##### **IC 20-20-37.4-1**

##### **"Fund"**

Sec. 1. As used in this chapter, "fund" refers to the geothermal conversion revolving fund established by section 3 of this chapter.

*As added by P.L.99-2009, SEC.2.*

##### **IC 20-20-37.4-2**

##### **"Geothermal heating and cooling system"**

Sec. 2. As used in this chapter, "geothermal heating and cooling system" means a heating and cooling system that uses the natural temperature of the earth to generate heating and cooling.

*As added by P.L.99-2009, SEC.2.*

##### **IC 20-20-37.4-3**

##### **Establishment and purpose of the fund**

Sec. 3. The geothermal conversion revolving fund is established for the purpose of making loans to school corporations that:

- (1) install a geothermal heating and cooling system in a new facility; or
- (2) install a geothermal heating and cooling system that replaces a conventional heating and cooling system.

*As added by P.L.99-2009, SEC.2.*

##### **IC 20-20-37.4-4**

##### **Administration of the fund**

Sec. 4. (a) The fund shall be administered by the Indiana bond bank. The expenses of administering the fund shall be paid from money in the fund.

(b) The fund consists of the following:

- (1) Money appropriated by the general assembly.
- (2) The repayment proceeds of loans made to school corporations from the fund.
- (3) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.
- (4) Any federal grants that are received to capitalize or supplement the fund.
- (5) Any earnings on money in the fund.

(c) The Indiana bond bank shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The fund shall be used by the Indiana bond bank as a revolving fund. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

*As added by P.L.99-2009, SEC.2.*

##### **IC 20-20-37.4-5**

##### **Authority to make geothermal conversion loans**

Sec. 5. Subject to the requirements of this chapter, the Indiana bond bank may loan money from the fund to a school corporation to assist the school corporation in paying for:

- (1) the installation of a geothermal heating and cooling system in a new facility; or
- (2) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.

*As added by P.L.99-2009, SEC.2.*

#### **IC 20-20-37.4-6**

##### **Requirement for a written procedure**

Sec. 6. (a) The Indiana bond bank shall establish a written procedure for providing loans from the fund to school corporations. The written procedure must include at least the following:

- (1) An application procedure.
- (2) A procedure to identify projects that may qualify for a loan.
- (3) Criteria for establishing the priority of projects for which loans will be made.
- (4) Procedures for selecting projects for which loans will be made.

(b) To apply for a loan from the fund, a school corporation must submit an application that contains at least the following information:

- (1) A description of the geothermal heating and cooling system that the school corporation proposes to install.
- (2) An estimate of the cost of the geothermal heating and cooling system.
- (3) An estimate of the amount by which the cost of installing the geothermal heating and cooling system exceeds the cost of installing a conventional heating and cooling system.
- (4) Any other information required by the Indiana bond bank in accordance with the written procedures established under this section.

*As added by P.L.99-2009, SEC.2.*

#### **IC 20-20-37.4-7**

##### **Loan constraints and conditions**

Sec. 7. The following apply to a loan from the fund to a school corporation under this chapter:

- (1) The loan may not exceed the difference between:
  - (A) the cost of installing a geothermal heating and cooling system; minus
  - (B) the cost of installing a conventional heating and cooling system.
- (2) The Indiana bond bank shall determine the interest rate and other terms for the loan.
- (3) A school corporation must enter into a loan agreement with the Indiana bond bank before receiving a loan from the fund. The loan agreement is a valid, binding, and enforceable agreement between the school corporation and the Indiana bond

- bank. The loan agreement must contain the following terms:
- (A) A requirement that the loan proceeds be used to pay for:
    - (i) the installation of a geothermal heating and cooling system in a new facility; or
    - (ii) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.
  - (B) The term of the loan, which may not be longer than fifteen (15) years after the date of the loan.
  - (C) The repayment schedule.
  - (D) The interest rate of the loan.
  - (E) Any other terms and provisions that the Indiana bond bank requires.

*As added by P.L.99-2009, SEC.2.*

#### **IC 20-20-37.4-8**

##### **Loan repayment**

Sec. 8. A school corporation receiving a loan under this chapter shall repay the loan from:

- (1) the school corporation's general fund; or
- (2) the school corporation's capital projects fund.

*As added by P.L.99-2009, SEC.2.*

#### **IC 20-20-37.4-9**

##### **Annual report**

Sec. 9. The Indiana bond bank shall annually present a report to the budget committee that describes the projects funded with loans under this chapter.

*As added by P.L.99-2009, SEC.2.*